



Hundredth Legislature - First Session - 2007
Committee Statement
LB 226

Hearing Date: January 22, 2007
Committee On: Business and Labor

Introducer(s): (Cornett)
Title: Change provisions relating to boiler inspections

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - X Advanced to General File with Amendments
 - Indefinitely Postponed
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Vote Results:

6	Yes	Senators Cornett, Lathrop, McGill, Rogert, Wallman, White
	No	
	Present, not voting	
1	Absent	Senator Chambers

Proponents:
John Albin

Representing:
Department of Labor

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes: LB 226 makes changes to the State Boiler Inspection Act. There is a nationwide shortage of boiler inspectors and the Department is having difficulty filling inspector vacancies. Since the Act requires inspections, the state may be liable if those inspections are not taking place and a faulty boiler causes damage or injury. This bill would allow the state to contract with private inspection agencies in order to complete the necessary inspections required under the Act.

The committee amendment rewrites the entire bill and makes the following statutory changes:

Section 1: amends §48-720 Definitional Section;

- An Authorized Inspection Agency (AIA) means a private inspection company which is authorized to perform boiler inspections and is organized under the criteria set forth in NB-369, National Board Qualifications and Duties for AIA's.
 - "Department" means the Department of Labor
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Section 2: amends §48-722 to insert new language “In order to ensure that inspections are performed in a timely manner, the department may contract with an authorized inspection agency to perform any inspection authorized under the Boiler Inspection Act. If the department contracts with an authorized inspection agency to perform inspections, such contract shall be in writing and shall contain an indemnification clause wherein the authorized inspection agency agrees to indemnify and defend the department for loss occasioned by negligent or tortuous acts committed by special inspectors employed by such authorized inspection agency when performing inspections on behalf of the department.

- *Sub. (2):* inserts new language to allow a special inspector to complete inspections for boilers operated at a public gathering.

Section 3: amends §48-730 to insert new language to codify the current practice of requiring a boiler to be reinspected when it is moved from one location to another.

Section 4: amends §48-731;

- *Sub. (1)(a):* inserts new language to allow qualified employees of an authorized inspection agency to become special inspectors commissioned by the Department;
- *Sub. (1)(b) through(1)(d):* inserts special inspectors employed by an AIA throughout the reporting and notification requirements; requires immediate notification of the department where a boiler is defective or uninsurable.
- *Sub.(7):* inserts the following new language “No authorized inspection agency shall perform inspections of boilers in the State of Nebraska unless the authorized inspection agency has insurance coverage for professional errors and omissions and comprehensive and general liability under a policy or policies written by an insurance company authorized to do business in this state in effect at the time of such inspection. Such insurance policy or policies shall be in an amount not less than the minimum amount per occurrence as established by the commissioner. Such minimum amount shall be established with due regard to the protection of the general public and the availability of insurance coverage, but such minimum insurance coverage shall not be less than one million dollars per occurrence for professional errors and omissions and one million dollars for comprehensive and general liability.

Section 5: amends §48-736 to raise the penalty for violation of the Act from a Class V misdemeanor to a Class III misdemeanor.

Section 6: Repeals original sections 48-720, 48-722, 48-730, 48-731, and 48-736, Reissue Revised Statutes of Nebraska.

Explanation of amendments, if any:

